

FIRST REGULAR SESSION

# HOUSE BILL NO. 684

## 95TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES GATSCHENBERGER (Sponsor), KRAUS, BIERMANN,  
PARKINSON, SCHARNHORST, ZERR, DIECKHAUS, FRANZ, SMITH (150), WETER, LEARA,  
DUGGER, ALLEN, RUESTMAN, SMITH (14), COX, LARGENT, ICET,  
PRATT AND MUNZLINGER (Co-sponsors).

1731L.01H

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to property assessments.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows:

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the city of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the [percent] **percentage** of its true value in money set in subsection 5 of this section, **except as provided in subsection 17 of this section**. The true value in money of any possessory interest in real property in subclass (3), where such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a political subdivision, shall be the otherwise applicable true value in money of any such possessory interest in real property, less the total dollar amount of costs paid by a party, other than the political subdivision, towards any new construction or improvements on such real property completed

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 after January 1, 2008, and which are included in the above-mentioned possessory interest,  
17 regardless of the year in which such costs were incurred or whether such costs were considered  
18 in any prior year. The assessor shall annually assess all real property in the following manner:  
19 new assessed values shall be determined as of January first of each odd-numbered year and shall  
20 be entered in the assessor's books; those same assessed values shall apply in the following  
21 even-numbered year, except for new construction and property improvements which shall be  
22 valued as though they had been completed as of January first of the preceding odd-numbered  
23 year. The assessor may call at the office, place of doing business, or residence of each person  
24 required by this chapter to list property, and require the person to make a correct statement of all  
25 taxable tangible personal property owned by the person or under his or her care, charge or  
26 management, taxable in the county. On or before January first of each even-numbered year, the  
27 assessor shall prepare and submit a two-year assessment maintenance plan to the county  
28 governing body and the state tax commission for their respective approval or modification. The  
29 county governing body shall approve and forward such plan or its alternative to the plan to the  
30 state tax commission by February first. If the county governing body fails to forward the plan  
31 or its alternative to the plan to the state tax commission by February first, the assessor's plan shall  
32 be considered approved by the county governing body. If the state tax commission fails to  
33 approve a plan and if the state tax commission and the assessor and the governing body of the  
34 county involved are unable to resolve the differences, in order to receive state cost-share funds  
35 outlined in section 137.750, the county or the assessor shall petition the administrative hearing  
36 commission, by May first, to decide all matters in dispute regarding the assessment maintenance  
37 plan. Upon agreement of the parties, the matter may be stayed while the parties proceed with  
38 mediation or arbitration upon terms agreed to by the parties. The final decision of the  
39 administrative hearing commission shall be subject to judicial review in the circuit court of the  
40 county involved. In the event a valuation of subclass (1) real property within any county with  
41 a charter form of government, or within a city not within a county, is made by a computer,  
42 computer-assisted method or a computer program, the burden of proof, supported by clear,  
43 convincing and cogent evidence to sustain such valuation, shall be on the assessor at any hearing  
44 or appeal. In any such county, unless the assessor proves otherwise, there shall be a presumption  
45 that the assessment was made by a computer, computer-assisted method or a computer program.  
46 Such evidence shall include, but shall not be limited to, the following:

47 (1) The findings of the assessor based on an appraisal of the property by generally  
48 accepted appraisal techniques; and

49 (2) The purchase prices from sales of at least three comparable properties and the address  
50 or location thereof. As used in this subdivision, the word "comparable" means that:

51 (a) Such sale was closed at a date relevant to the property valuation; and

52 (b) Such properties are not more than one mile from the site of the disputed property,  
53 except where no similar properties exist within one mile of the disputed property, the nearest  
54 comparable property shall be used. Such property shall be within five hundred square feet in size  
55 of the disputed property, and resemble the disputed property in age, floor plan, number of rooms,  
56 and other relevant characteristics.

57 2. Assessors in each county of this state and the city of St. Louis may send personal  
58 property assessment forms through the mail.

59 3. The following items of personal property shall each constitute separate subclasses of  
60 tangible personal property and shall be assessed and valued for the purposes of taxation at the  
61 following percentages of their true value in money:

62 (1) Grain and other agricultural crops in an unmanufactured condition, one-half of one  
63 percent;

64 (2) Livestock, twelve percent;

65 (3) Farm machinery, twelve percent;

66 (4) Motor vehicles which are eligible for registration as and are registered as historic  
67 motor vehicles pursuant to section 301.131, RSMo, and aircraft which are at least twenty-five  
68 years old and which are used solely for noncommercial purposes and are operated less than fifty  
69 hours per year or aircraft that are home built from a kit, five percent;

70 (5) Poultry, twelve percent; and

71 (6) Tools and equipment used for pollution control and tools and equipment used in  
72 retooling for the purpose of introducing new product lines or used for making improvements to  
73 existing products by any company which is located in a state enterprise zone and which is  
74 identified by any standard industrial classification number cited in subdivision (6) of section  
75 135.200, RSMo, twenty-five percent.

76 4. The person listing the property shall enter a true and correct statement of the property,  
77 in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed  
78 and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered  
79 to the assessor.

80 5. All subclasses of real property, as such subclasses are established in section 4(b) of  
81 article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the  
82 following percentages of true value:

83 (1) For real property in subclass (1), nineteen percent;

84 (2) For real property in subclass (2), twelve percent; and

85 (3) For real property in subclass (3), thirty-two percent.

86 6. Manufactured homes, as defined in section 700.010, RSMo, which are actually used  
87 as dwelling units shall be assessed at the same percentage of true value as residential real

88 property for the purpose of taxation. The percentage of assessment of true value for such  
89 manufactured homes shall be the same as for residential real property. If the county collector  
90 cannot identify or find the manufactured home when attempting to attach the manufactured home  
91 for payment of taxes owed by the manufactured home owner, the county collector may request  
92 the county commission to have the manufactured home removed from the tax books, and such  
93 request shall be granted within thirty days after the request is made; however, the removal from  
94 the tax books does not remove the tax lien on the manufactured home if it is later identified or  
95 found. A manufactured home located in a manufactured home rental park, rental community or  
96 on real estate not owned by the manufactured home owner shall be considered personal property.  
97 A manufactured home located on real estate owned by the manufactured home owner may be  
98 considered real property.

99         7. Each manufactured home assessed shall be considered a parcel for the purpose of  
100 reimbursement pursuant to section 137.750, unless the manufactured home has been converted  
101 to real property in compliance with section 700.111, RSMo, and assessed as a realty  
102 improvement to the existing real estate parcel.

103         8. Any amount of tax due and owing based on the assessment of a manufactured home  
104 shall be included on the personal property tax statement of the manufactured home owner unless  
105 the manufactured home has been converted to real property in compliance with section 700.111,  
106 RSMo, in which case the amount of tax due and owing on the assessment of the manufactured  
107 home as a realty improvement to the existing real estate parcel shall be included on the real  
108 property tax statement of the real estate owner.

109         9. The assessor of each county and each city not within a county shall use the trade-in  
110 value published in the October issue of the National Automobile Dealers' Association Official  
111 Used Car Guide, or its successor publication, as the recommended guide of information for  
112 determining the true value of motor vehicles described in such publication. In the absence of a  
113 listing for a particular motor vehicle in such publication, the assessor shall use such information  
114 or publications which in the assessor's judgment will fairly estimate the true value in money of  
115 the motor vehicle.

116         10. Before the assessor may increase the assessed valuation of any parcel of subclass (1)  
117 real property by more than fifteen percent since the last assessment, excluding increases due to  
118 new construction or improvements, the assessor shall conduct a physical inspection of such  
119 property.

120         11. If a physical inspection is required, pursuant to subsection 10 of this section, the  
121 assessor shall notify the property owner of that fact in writing and shall provide the owner clear  
122 written notice of the owner's rights relating to the physical inspection. If a physical inspection  
123 is required, the property owner may request that an interior inspection be performed during the

124 physical inspection. The owner shall have no less than thirty days to notify the assessor of a  
125 request for an interior physical inspection.

126         12. A physical inspection, as required by subsection 10 of this section, shall include, but  
127 not be limited to, an on-site personal observation and review of all exterior portions of the land  
128 and any buildings and improvements to which the inspector has or may reasonably and lawfully  
129 gain external access, and shall include an observation and review of the interior of any buildings  
130 or improvements on the property upon the timely request of the owner pursuant to subsection 11  
131 of this section. Mere observation of the property via a drive-by inspection or the like shall not  
132 be considered sufficient to constitute a physical inspection as required by this section.

133         13. The provisions of subsections 11 and 12 of this section shall only apply in any county  
134 with a charter form of government with more than one million inhabitants.

135         14. A county or city collector may accept credit cards as proper form of payment of  
136 outstanding property tax or license due. No county or city collector may charge surcharge for  
137 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,  
138 processor, or issuer for its service. A county or city collector may accept payment by electronic  
139 transfers of funds in payment of any tax or license and charge the person making such payment  
140 a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic  
141 payment.

142         15. Any county or city not within a county in this state may, by an affirmative vote of  
143 the governing body of such county, opt out of the provisions of this section and sections 137.073,  
144 138.060, and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general  
145 assembly, second regular session and section 137.073 as modified by house committee substitute  
146 for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general  
147 assembly, second regular session, for the next year of the general reassessment, prior to January  
148 first of any year. No county or city not within a county shall exercise this opt-out provision after  
149 implementing the provisions of this section and sections 137.073, 138.060, and 138.100, RSMo,  
150 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and  
151 section 137.073 as modified by house committee substitute for senate substitute for senate  
152 committee substitute for senate bill no. 960, ninety-second general assembly, second regular  
153 session, in a year of general reassessment. For the purposes of applying the provisions of this  
154 subsection, a political subdivision contained within two or more counties where at least one of  
155 such counties has opted out and at least one of such counties has not opted out shall calculate a  
156 single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general  
157 assembly, second regular session. A governing body of a city not within a county or a county  
158 that has opted out under the provisions of this subsection may choose to implement the  
159 provisions of this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by

160 house bill no. 1150 of the ninety-first general assembly, second regular session, and section  
161 137.073 as modified by house committee substitute for senate substitute for senate committee  
162 substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the  
163 next year of general reassessment, by an affirmative vote of the governing body prior to  
164 December thirty-first of any year.

165       16. The governing body of any city of the third classification with more than twenty-six  
166 thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located  
167 in any county that has exercised its authority to opt out under subsection 15 of this section may  
168 levy separate and differing tax rates for real and personal property only if such city bills and  
169 collects its own property taxes or satisfies the entire cost of the billing and collection of such  
170 separate and differing tax rates. Such separate and differing rates shall not exceed such city's tax  
171 rate ceiling.

172       **17. For all assessments of real property in subclass (1) occurring on or after**  
173 **January 1, 2010, the percentage of increase in the assessed valuation of such real property**  
174 **in any subsequent assessment over the previous assessment shall not exceed the percentage**  
175 **of increase over the previous year in the Consumer Price Index for All Urban Consumers**  
176 **as prepared by the United States Bureau of Labor Statistics, or its successor index, in the**  
177 **assessment year. The assessed valuation of any such real property shall not increase by**  
178 **any other amount or percentage unless such real property is sold, transferred, or conveyed,**  
179 **in which case the real property shall be assessed at the percentage of its true value in**  
180 **money set in subsection 5 of this section.**

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